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STATE PASS TO EBB/TPP/IPE URBAN, WALLACE  
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TAGS: PGOV IT ECON ETRD KIPR  
SUBJECT: ITALY WANTS G-8 TO TACKLE INTERNET "REGULATION"

REF: A. 08 ROME 1337  
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(U) 1. Summary: During its G-8 Presidency Italy wants to increase focus on Internet crime -- primarily on-line piracy, child pornography and identity theft. Plans to deal with these issues have been given the general heading "Internet regulation." While the term worries some, GOI contacts insist the goal is to deal with Internet crime and not to in any way suppress freedom of speech. GOI officials hope to see the issue become part of a G-8 Summit discussion, and will begin broaching the issue at the Feb. 3-4 meeting of the Intellectual Property Working Group. (Post has briefed the U.S. delegation on the issue.) A parallel effort is underway to create a concrete plan for dealing with on-line piracy in Italy, likely by forcing some responsibility onto Internet Service Providers (ISPs). Officials would like to see a plan announced by the time of the G-8 summit in July. End Summary.

(SBU) 2. In late 2008, PM Berlusconi revived a notion that had been introduced in the parliament earlier, namely -- a vaguely expressed need to "regulate the Internet." Given that the internet was and continues to be the source of some of the most effective criticism directed against him, there are worries that interest in Internet regulation might be an effort to silence his many on-line critics. Fabrizio Mazza, head of the intellectual property office at the Ministry of Foreign Affairs, provided an alternate explanation when he recently described Berlusconi's interest in the issue to Econoff. According to Mazza, the Internet is a Wild West. Given that the Internet is essentially borderless, combating Internet crime will take international cooperation. At some point, the lack of rules becomes a problem. Regulation, as Berlusconi uses the term, means setting parameters to control crime. Mazza insists this will not involve suppression of free speech.

(SBU) 3. In the past, Internet piracy has been tackled in the G-8 context by the Intellectual Property Experts Group (IPEG), but IPEG is a technical level group, Mazza said, and its decisions and discussions have little impact without a political counterpart. Mazza is hoping the G-8 Summit could result in a statement of intent aimed at in some way regulating the Internet cooperatively. For this issue to go very far, Mazza said, Canada would have to be on board, since Canada hosts the next G-8 summit in 2010. These ideas will form part of the discussion at this week's meeting of the IPEG.

(SBU) 4. On the national front, the GOI is moving to create a plan to fight on-line piracy. In Ref A, Post outlined GOI plans to form an interministerial committee to deal with this

issue. The committee has been formed and Mazza says it is tasked with coming up with an actionable plan in 2-3 months time. The committee will hold hearings with industry, Internet Service Providers and others to come up with a proposal to be enacted in Italy. Mazza specifically referenced the French "3 strikes" graduated response plan and a British plan to fight illegal downloading as possible models for the Italian plan. Mazza hopes that the committee's proposal would be announced prior to the G-8 Summit, as a public signal that Italy intends to take its place with other G-8 countries in fighting IPR infringement. Mazza characterized involved Italian officials as "determined."

(SBU) 5. Mazza said ISPs are nervous at the prospect of an Italian plan, but said that IP industries are "very" supportive. According to Mazza, the plan would likely see ISPs assigned some level of responsibility for fighting on-line piracy. In general, our industry contacts have said past frustration with GOI efforts to protect copyright make it hard for them to be optimistic, but conversations with officials of the Italian music industry association and the Motion Picture Association, indicate some hope for a positive outcome this time.

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COMMENT  
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(SBU) 6. Committees such as the new IPR entity have in the past been formed without anything coming from them, but the spotlight of the G-8 and the desire of some key Italian IPR

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figures to show results could make a difference this time. Post is cautiously optimistic that the next few months will see some movement on IPR. The role of the very conservative Data Protection Authority is still problematic however (see Reftel B). Any plan to combat on-line piracy will have to navigate around the Data Protection Authority's rulings that put privacy considerations on the highest plane.

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